
HOUSE BILL 1509

State of Washington 60th Legislature 2007 Regular Session

By Representatives Pettigrew, Orcutt, O'Brien, McCune, Ericks, Warnick, Alexander, Simpson, Fromhold, P. Sullivan, Morris, Ahern, Kirby, Wood, Buri, Crouse, Kenney, Kristiansen and Ormsby

Read first time 01/22/2007. Referred to Committee on Finance.

1 AN ACT Relating to clarifying the business and occupation taxation
2 of property management companies in regards to on-site property
3 managers' wages and benefits; and amending RCW 82.04.394.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.04.394 and 1998 c 338 s 2 are each amended to read
6 as follows:

7 (1) This chapter does not apply to amounts received by a property
8 management company from (~~the owner of~~) a property owner for gross
9 wages and benefits paid directly to or on behalf of on-site personnel
10 from property management trust accounts that are required to be
11 maintained under RCW 18.85.310.

12 (2) As used in this section, "on-site personnel" means a person who
13 meets all of the following conditions: (a) The person works primarily
14 on-site at (~~the owner's property~~) one or more properties managed by
15 the property management company; (b) the person's duties include
16 leasing property units, maintaining (~~the~~) property, collecting rents,
17 or similar activities; and (c) under a written property management
18 agreement: (i) The person's compensation is the ultimate obligation of
19 the property owner and not the property manager; (ii) the property

1 manager is liable for payment only as agent of the owner; and (iii) the
2 property manager is the agent of the owner with respect to the on-site
3 personnel and that all actions, including, but not limited to, hiring,
4 firing, compensation, and conditions of employment, taken by the
5 property manager with respect to the on-site personnel are subject to
6 the approval of the property owner.

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